

# DEPENDENT CARE PLAN



A Dependent Care Spending Account allows participants to set aside pre-tax money to cover eligible expenses for the care of dependent children, elderly parents, or other dependents requiring care.

## CHILD CARE

If you need child care for your dependents, in order for you and your spouse to work, this is called Dependent Care, "DC." Dependent Care may be pre-taxed under the Dependent Care "DC" portion of the Flexible Spending Account of the Cafeteria Plan.

DC under the plan may save you more than the tax credit you claim when you file your taxes. Please log on to our website for more information.

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### Qualified Expenses Include:

- Daycare and preschool (including 3- and 4-year-old kindergarten).
- Dependent Child/Children must be under the age of 13 (after school care only or summer care)
- Disabled spouse or parent that requires care due to physical or mental incapability for caring for himself or herself.

### Expenses that CANNOT be claimed for Dependent Care:

- Schooling or tuition for 5-year-old kindergarten and higher, unless for after school care.
- Expenses when you are off work due to illness.
- Payments for care to any of your own dependents.
- Overnight camp

### How much can I contribute to my Dependent Care Spending?

- \$5000.00 for married couples filing a joint tax return.
- \$5000.00 for a single parent.
- \$2500.00 for a married couple filing separate tax returns.

#### Q. How do I participate in the Dependent Care Spending Account (DC)?

A. First you must determine the amount you will be spending on DC during the plan year. The amount you elect is divided by the number of deductions in the plan year and deducted tax free. The amount of DC you elect under the Cafeteria Plan will be listed on your W-2 Form, excluded from gross wages, but listed to report amount sheltered to the IRS. You must file Form 2441 at tax year end to report DC. Note, you must be the legal guardian in order to claim dependent care through the Cafeteria Plan.

#### Q. How will I get reimbursed for my Dependent Care Expenses?

A. You simply complete and submit a request for reimbursement (claim) form, along with a receipt from your provider to SABC. All receipts must include the provider's name and tax ID or social security number, date or dates of service, your dependents name, and the amount. Cancelled checks are not an acceptable receipt. You may submit your request via our Online Portal, at [www.sabcflex.com](http://www.sabcflex.com) or you can email, fax, mail or stop by SABC with your claim. All claims received by 2:00pm (Monday-Friday) are processed the day they are received. Reimbursements are based on individual funds deposited. In other words, your payroll deductions must be in the account in order for your reimbursement to go out. These funds are generally available a few days after payroll has been made.

#### IF I PARTICIPATE IN THE DEPENDENT CARE SPENDING ACCOUNT, CAN I ALSO CLAIM THE TAX CREDIT FOR THESE SAME EXPENSES?

Unfortunately, you cannot claim for both. In most cases, the Dependent Care Spending Account will save you more tax dollars. However, we do advise that you contact your tax advisor if you are not certain which is the best option based on your personal needs. But if you incur greater than the \$5,000 allowed under the Plan, and have 2 or more children, you may claim incurred care over the \$5,000, up to the additional \$1,000 offered on the tax return.

#### HOW LONG DO I HAVE TO USE THE AMOUNT I ELECT FOR THE PLAN YEAR?

You have until the end of the plan year to incur your expenses, and an additional sixty (60) days to submit your request for reimbursement, following the close of the Plan Year.

#### CAN I MAKE CHANGES TO MY ELECTION DURING THE PLAN YEAR?

Changes are only permitted in the event of a Status Change. Examples of Status Changes are –marriage, divorce, birth, death, adoption or, a change of your spouses' employment. The change requested must be consistent with the event. Events of change in provider, change in rate, and/or discontinuation of care are all events that can allow you to amend your DC deduction.

If there is a conflict between the Cafeteria Plan Document and this summary flyer, then the Cafeteria Plan Document (including any amendments) will control the Plan, unless otherwise required by law.

**Southern Administrators and Benefit Consultants, Inc.**

P.O. Box 2449 \* Madison, MS 39130-2449 \*(601) 856-9933 or 800-844-2555

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